

# Press Release

**Office of the Kansas Securities Commissioner  
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Topeka, Kansas 66603-3804**

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## **Flora Gets Prison for Securities Registration Violations**

(Topeka, Kansas) -- Kansas Securities Commissioner, Chris Biggs, announced today that former Hays resident, Arlen E. Flora, was sentenced in Ellis County District Court today for securities violations. Flora, 56, was convicted on January 10, 2005, of one felony count for the sale of unregistered securities and one felony count of acting as a broker-dealer without a license.

The conviction resulted from the sale of a fictitious overseas investment program called "Liberty Foundation." The program, a prime bank or high yield investment, promised a return of 50% per month for one year. The investment and Flora were not properly registered as required by law.

Judge Tom Toepfer sentenced Flora, a Bel Aire resident, to a controlling sentence of 18 months in prison. Restitution of \$43,800 was also ordered to three Hays area residents to whom he sold the investment while living there. After being released from prison, Flora will be required to serve 12 months under post-release supervision.

In addition to the criminal convictions, Flora agreed to enter into an administrative order with the Office of the Securities Commissioner in which he will be permanently barred from associating with any broker-dealer or investment adviser in the State of Kansas.

This investigation and prosecution of Flora was done with the assistance and cooperation of Thomas Drees and the Office of the Ellis County Attorney.

The Office of the Kansas Securities Commissioner is charged with administration and enforcement of the Kansas Securities Act under Chapter 17 of the Kansas Statutes. The Office investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit <http://www.securities.state.ks.us>.